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April 3, 2002

The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
316 South, State Capitol
Madison, WI 53702

The Honorable John Gard, Co-Chair
Joint Committee on Finance
316 South, State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

The Department of Workforce Development is submitting this report on the Workforce Attachment and Advancement (WAA) program, in keeping with 1999 Wisconsin Act 9 and as required by Joint Finance motions adopted at the December 21, 1999 s.13.10 meeting. This report is a follow-up to reports submitted to the Joint Committee on Finance on January 29, 2000; March 1, 2001; and May 14, 2001. It provides information about earnings and child support payments by WAA participants.

As detailed in the report, WAA participants generally experienced steadily declining earnings in the quarters preceding their enrollment in WAA, but measurable earnings increases in the quarters after leaving. Analysis of child support payments, developed in partnership with the Institute for Research on Poverty, finds a similar pattern of pre-WAA decline followed by post-WAA improvement.

These results are consistent with the main objective of WAA, which is to enable participants better to support their families through work. The analysis on which these findings are based reflect a significant investment by the Department in tools for the ongoing assessment of WAA program effectiveness.

If you have any questions about the information in the attached report, please contact Mary Rowin, Deputy Administrator, Division of Workforce Solutions, at 267-9022.

Sincerely,

Jennifer Reinert
Secretary

Attachment

SEC-7792-E (R. 07/2001)

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**IMPACT OF THE WORKFORCE ATTACHMENT AND ADVANCEMENT
PROGRAM ON EARNINGS AND CHILD SUPPORT COLLECTIONS**

**State of Wisconsin
Department of Workforce Development**

March 2002

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EXECUTIVE SUMMARY

The Workforce Attachment and Advancement (WAA) program provides services in the areas of training, job retention, basic skills development, job placement and other support services designed to help participants find, hold, and advance in employment.

The legislation that created WAA also required the Department to measure program performance in the areas of job placement, job retention, earnings increases, and (for noncustodial parents) increases in child support collections. Subsequent motions by the Legislature's Joint Committee on Finance imposed more specific reporting requirements with respect to participant earnings. The latest in a series of reports pursuant to these requirements, this report provides information about WAA participants' earnings and child support payments.

Among the main findings with respect to participant earnings:

- At the time WAA participants enrolled in the program, their average quarterly earnings had been declining steadily over the previous year.
- WAA participants who had left the program by July 1, 2001 earned more, on average, during the quarter in which they left than during the quarter in which they first enrolled.
- By the second and third quarters after leaving WAA, former participants had average quarterly earnings at least as high as they had experienced in any of the four quarters prior to enrollment in the program.

Among the main findings with respect to child support payments by noncustodial parents (NCPs):

- The average number of NCPs making child support payments in the six months after entering WAA was 5 percent higher than the average for six months prior to entry.
- The average size of child support payments dropped steadily during the five months prior to entry into WAA, then rose during the months after entry to levels similar to the highest pre-entry levels.
- Had the downward pre-WAA trend in average child support payments continued unchanged in the six months after NCPs entered WAA, those payments would have been, on average, between \$57 and \$88 a month lower than NCP participants in WAA were actually paying six months after they began participating.

Although the nature of the data precludes direct correlation between these outcomes and the WAA program, these findings are consistent with the program objective of helping participants better support their families through work. Furthermore, important steps the Department has taken to complete this study, most notably the creation of a data warehouse for relating program performance to earnings outcomes over time, now provide the basis for ongoing reports on program effectiveness.

INTRODUCTION

This report provides information about the impact of the Workforce Attachment and Advancement (WAA) program on participants' earnings and on child support collections. It has been prepared for the Wisconsin Legislature's Joint Committee on Finance by the Department of Workforce Development (DWD), pursuant to 1999 Wisconsin Act 9 and subsequent Joint Finance Committee motions.

Background: The WAA program

1999 Wisconsin Act 9 established the WAA program as a two-year program. The initial contract period for the program ran from January 2000 through December 2001, and the Department extended this to June 30, 2002. The program, funded through the Temporary Assistance for Needy Families (TANF) block grant, allocated \$19.7 million to Workforce Development Boards (WDBs) and Wisconsin Works (W-2) agencies to provide services to TANF-eligible custodial and noncustodial parents (NCPs) with incomes below 200 percent of the federal poverty level. New contracts for the period July 1, 2002 through December 31, 2003 include \$7.8 million in funding to W-2 agencies and WDBs.

The WAA program provides services in the areas of basic skills development, training, job placement, job retention, and other support services designed to help participants find, hold, and advance in employment. It therefore serves the needs both of employees seeking self-sufficiency through work and employers seeking skilled workers. WAA program resources are used to create and expand innovative services and approaches serving both these purposes. WAA agencies are required to seek extensive input from local stakeholders to tailor program services to meet locally defined needs.

What most distinguishes WAA from other programs is its focus on retention and advancement. While other programs also have job placement as a main objective, most are limited in the services they provide once a person begins working. WAA complements existing programs and offers services not available through them in order to assist low income families and NCPs to retain jobs and advance to higher-wage positions. WAA is thus an important part of a larger, critical shift in the emphasis of welfare reform: moving from an emphasis on employment placement for welfare recipients toward achieving labor market stability and self-sufficiency for former recipients, now members of the workforce.

Purpose of the report

In addition to creating the WAA program, 1999 Wisconsin Act 9 also required the Department to evaluate program performance in four specific areas: job placement, job retention, earnings increases, and (for NCPs) increases in child support collections. In December 1999, in conjunction with the release of funds to operate WAA, the Legislature's Joint Committee on Finance adopted motions that further specified the Department's performance measurement obligations. Among other things, these motions required DWD to:

- Develop a methodology for tracking the impact of WAA on participants' earnings.
- Report that methodology to the Joint Committee on Finance by March 1, 2000.
- Submit a report to the Joint Committee on Finance by March 1, 2001, to include information gathered using that methodology.

The Department submitted the first required report on methodology in a February 29, 2000 letter. The Department submitted the second required report on March 1, 2001. That report described the WAA caseload, program services provided, and the Department's progress in implementing its methodology for tracking and evaluating program performance. It also further defined the four performance measures and committed to reporting on the first three measures in May 2001, and on the fourth standard by late March 2002. The Department submitted an ad hoc report on three of these standards—job placement, job retention, and earnings increases—on May 14, 2001.

The current report provides two important sets of analysis not included in the 2001 reports. The first set is an analysis of the impact of the WAA program on earnings. The second is an analysis of the impact of the WAA program on child support collections. Together these analyses represent a new in-depth study of WAA based on information not available at the time of the earlier reports. As explained in previous reports, these analyses were delayed until March 31, 2002, because additional time was needed to obtain Unemployment Insurance (UI) wage data and Kids Information Data System (KIDS) child support data.

The Department took several significant steps to complete this analysis and to lay the foundation for future reports on program impacts. These include building a data warehouse combining WAA participant data from the Client Assistance for Re-employment and Economic Support (CARES) information system with quarterly wage information from the UI system. This data warehouse includes information for all of the work programs tracked in CARES: W-2, Food Stamp Employment and Training (FSET), Welfare-to-Work, Children First, and WAA. Because this longitudinal database incorporates participant earnings information covering periods before, during, and after participation in all of these programs, it is a powerful tool for analyzing and comparing the earnings impacts of those programs. In addition, the Department contracted with the Institute for Research on Poverty (IRP) to analyze child support collections and earnings for a selected group of WAA participants who are NCPs.

This report is organized into five parts:

- Part I offers an analysis of the impact of WAA on earnings (as determined by UI wage data) for various groupings of WAA participants.
- Part II summarizes analysis by IRP of the impact of WAA on child support collection from and on UI earnings by WAA participants who are noncustodial parents.
- Part III presents selected demographic information about WAA participants

- Part IV provides additional information about three WAA program performance measures: job placement, job retention, and earnings increases.
- Part V assesses the main findings of the report and discusses next steps for establishing a continuing process of program evaluation for WAA.

PART I: IMPACT OF WAA ON PARTICIPANT EARNINGS

This section provides information about the earnings of WAA participants before and after participation in the WAA program. That information makes it possible to begin evaluating the impact of the WAA program on participants' earnings.

On average, WAA participants in the study sample earned more in the quarter in which they left the program than they did in the quarter during which they first enrolled. By the first and second quarters after leaving the program, participants who had left the program by July of 2001 had average earnings similar to or greater than their highest earnings during any of the four quarters before they enrolled in WAA.

Research design, data, and analysis

CARES data were used to compile demographic information about WAA participants and establish each participant's dates of enrollment into and exit from the WAA program. This information was cross-matched with Unemployment Insurance (UI) wage data in order to track each participant's earnings for designated periods before, during, and after participation in WAA.

The data set

Analysis based on this matching process was applied to two separate sets of participants. One set was comprised of all participants who had ever enrolled in WAA as of September 30, 2001. The other set was comprised of participants who had left the program by July 1, 2001 and not returned as of September 30, 2001.

For both groups, participants' earnings were tracked for the quarter of enrollment in WAA and up to four previous quarters. In addition, for the group that left the program by July 1, 2001, a post-WAA analysis tracked each participant's earnings for up to five quarters, beginning with the quarter in which the participant left the program.

Data limitations

Note that figures for "total participants" (i.e. the total number of participants with data available for that quarter) tend to diminish for both the earliest and most recent quarters. In some cases, data for a given participant were incomplete because the CARES program for entering WAA data only became available several months after the WAA program was implemented. In other cases the information was incomplete because of time lags in receipt of data by the UI system and because those participants who left the program most recently may have less than four quarters of post-WAA data available.

It is also important to bear in mind that UI wage data are not a comprehensive indicator of earnings. For example, such data do not capture earnings information for the self-employed, farmers, persons who sell by commission, federal employees, and Wisconsin residents working outside the state.

Findings

The data reported in the following tables indicate:

- declining pre-WAA earnings for WAA participants; and
- increasing post-WAA earnings for former participants.

It is important to note, however, that figures for each quarter in these tables reflect analysis of the data set available *for that quarter*. These data do not necessarily capture earnings changes *for exactly the same participants* from one quarter to the next.

Pre-WAA earnings of WAA participants

Table 1 summarizes the pre-WAA earnings histories, based on UI wage data, of all participants who had ever been enrolled in WAA as of September 30, 2001. Average quarterly earnings for those participants with data available fell steadily during the four quarters prior to their enrollment in WAA. Participants who had earnings and for whom earnings data were available showed quarterly earnings averaging about \$3,048 during the fourth quarter before enrollment in WAA. Quarterly earnings for the quarter of entry into WAA dropped to \$2,533 for participants with data available for that quarter.

Table 1 Pre-WAA earnings of all WAA participants as of 9/30/01				
Quarters relative to entry into WAA	Total participants in sample ¹	% of participants with earnings	Average quarterly earnings (all participants)	Average quarterly earnings (participants with earnings only)
4 Quarters prior to WAA	2,544	73.2%	\$2,230	\$3,048
3 Quarters prior to WAA	3,343	73.1%	\$2,214	\$3,031
2 Quarters prior to WAA	3,642	72.8%	\$2,133	\$2,931
1 Quarter prior to WAA	3,766	74.0%	\$2,084	\$2,815
Quarter of program entry	3,866	78.4%	\$1,986	\$2,533
¹ Changes in sample totals reflect the incompleteness of CARES data entry from early in the WAA program, only partially remediable through backdating.				

Pre-WAA earnings of former WAA participants

Table 2 summarizes the pre-WAA earnings histories, based on UI wage data, of those participants who had left the WAA program by July, 1, 2001 and not returned by September 30, 2001. As with participants analyzed in table 1 above, the available data show average quarterly earnings for these former participants dropping steadily over the four quarters prior to their enrollment in the WAA program. During the fourth quarter prior to enrollment, participants for whom earnings data were available averaged quarterly earnings of about \$3,047. This contrasts with average quarterly earnings of \$2,307 for participants' quarter of enrollment in WAA.

Table 2 Pre-WAA earnings of former participants (left by 7/1/01 and did not return)				
Quarters relative to WAA entry	Total participants in sample¹	% of participants with earnings	Average quarterly earnings (all participants)	Average quarterly earnings (participants with earnings only)
4 Quarters prior to entry	447	68.9%	\$2,099	\$3,047
3 Quarters prior to entry	769	69.8%	\$2,028	\$2,904
2 Quarters prior to entry	916	71.4%	\$1,962	\$2,748
1 Quarter prior to entry	972	74.0%	\$1,943	\$2,627
Quarter of program entry	991	80.0%	\$1,846	\$2,307
¹ Changes in sample totals reflect the incompleteness of CARES data entry from early in the program, only partially remediable through backdating.				

Post-WAA earnings of former WAA participants

Table 3 summarizes the post-WAA earnings history for WAA participants who left by July 1, 2001 and had not returned by the following September 30. Note that average earnings during the quarter of *exit* from WAA were \$2,838, more than \$500 higher than the *entry* quarter average shown in table 2. Furthermore, for those participants for whom data were available, average quarterly earnings for the first and second quarters following departure from the program equaled or exceeded average earnings for any of the four quarters prior to entry. Although available data show participants' average earnings declining slightly in the third quarter after exit, at \$2,901 this average was still more than \$400 than indicated by data for the quarter of entry.

Table 3 Post-WAA earnings of former participants (left by 7/01/01 and did not return)				
Quarters relative to WAA exit	Total participants in sample¹	% of participants with earnings	Average quarterly earnings (all participants)	Average quarterly earnings (participants with earnings only)
Quarter of Program Exit	1,585	75.4%	\$2,140	\$2,838
1 Quarter after exit	1,005	71.0%	\$2,153	\$3,040
2 Quarters after exit	582	69.8%	\$2,148	\$3,079
3 Quarters after exit	291	68.7%	\$1,994	\$2,901
¹ Changes in the totals for each quarter reflect a lag time in maturation of UI wage data and the fact that for more recent cases complete earnings data may not yet be available. Note: The data set for 4 quarters after exit was too small to permit reliable reporting, and has therefore been omitted.				

PART II: IMPACT OF WAA ON CHILD SUPPORT

The Department contracted with the Institute for Research on Poverty (IRP) to analyze the impact of WAA on child support payments by noncustodial parents (NCPs). This section summarizes that analysis and the Department's conclusions. The full IRP report is available from the Department upon request.¹

Several measures of child support outcomes analyzed by IRP show improvements following the NCPs' entry into the WAA program. Incomes rose, as did child support payments. While one cannot attribute these improvements directly and exclusively to the WAA program, the findings suggest the WAA program did have an impact.

Research design, data, and analysis

IRP analyzed data from three administrative data systems: Client Assistance for Re-employment and Economic Support (CARES), Kids Information Data System (KIDS), and Unemployment Insurance (UI) wage record files. To allow sufficient time for data matching, IRP restricted its analysis to participants who had entered WAA by June 30, 2001, thereby providing a minimum common follow-up period of 6 months for most outcomes.

The IRP performed its analysis on WAA participants who entered the program between January 2000 and June 2001, and were identified as NCPs in the KIDS database.² The analyses summarized here were further limited to those NCPs with a child support order continuously in effect for a 13-month period encompassing the six months prior to their first entry into WAA, the month of entry, and the six months after entry.

The IRP report cautions against drawing direct causal inferences from these data, and notes several issues that may affect data accuracy. Identifying NCP cases proved challenging because DWD identifies and collects this information differently for different programs, and because participants who may be both custodial parents and NCPs can only be recorded as one or the other in CARES. Furthermore, because the WAA program is voluntary, participants can "drift away" without formally withdrawing, meaning that some exit dates are approximate. Finally, changes in the local economy, as well as unobserved changes in personal circumstances, could also affect the child support changes being measured.

¹ Emma Caspar and Ingrid E. Rothe, *Child Support Outcomes Associated with the Workforce Attachment and Advancement (WAA) Program: An Examination of Potential Measures*. Report produced under contract between the Department of Workforce Development and the Institute for Research on Poverty, University of Wisconsin-Madison (March 2002).

² Because KIDS is designed specifically to track child support cases, IRP deemed the KIDS identification of NCPs as more accurate than CARES, which records either custodial or noncustodial status in order to establish participant eligibility under one status or the other, but which may not indicate when a participant eligible as a custodial parent is also an NCP.

Findings

The IRP study identified a total of 420 NCPs as meeting its criteria, based on date of program entry and duration of a continuous child support order, for inclusion in the analysis summarized here. Of these NCPs, 54 percent were men and 46 percent were women.

Percentage of NCPs making child support payments

As shown in figure 1, during the months following WAA entry, the percentage of NCPs with a child support order who were making payments was consistently 54 percent or higher—at least as high as any month prior to entry. The average number with a payment in the six months after entering WAA was 5 percent higher than the average in the six months prior to entry. The data also suggest that the number of NCPs making payments six months after entry was approximately 13% higher than it would have been had the generally downward trend at the time of entry (see dotted trend line in fig. 1) continued unchanged for the following six months.

Figure 1

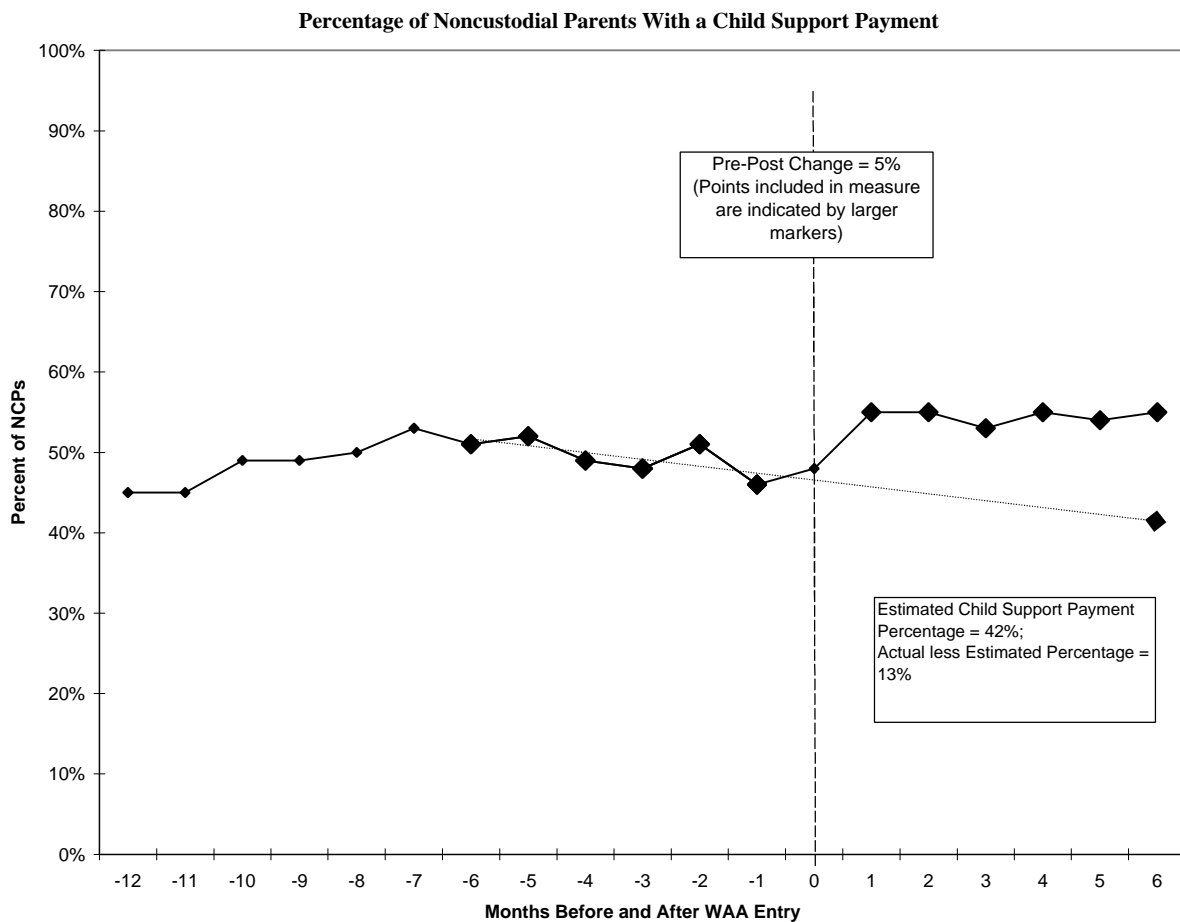


Chart from Caspar and Rothe, *Child Support Outcomes* (IRP/March 2002).

Amount of child support paid

IRP performed two types of analysis to determine whether child support paid increased following WAA participation. The first, summarized in figure 2, analyzes data from all 420 NCPs with a child support order, whether that order was a fixed order (defined as a set dollar amount) or a percentage order (defined as a percentage of income). The second, summarized in table 4, looks only at that subset of NCPs with *fixed* orders.

As shown in figure 2, the average size of NCP participants' monthly child support payments dropped steadily during the five months prior to entry into WAA, then rose during the months after entry to levels similar to the highest pre-entry levels. On average, payments in the six months after WAA entry were \$14 higher than in the six months before WAA entry. Furthermore, the data suggest that, had the downward trend three months before entry into WAA continued, average child support payments six months after entry would have been \$57 lower than they actually were (as indicated by a dotted trend line in figure 2). Had the downward trend for six months prior to entry continued unchanged, payments six months after entry would have been \$88 lower than they actually were (again, indicated by a second dotted trend line in figure 2).

The pattern specifically for NCPs with *fixed* support orders, shown in table 4, was very similar to the overall pattern for all NCPs, with child support payments falling in the months just prior to entry, then rising again in the months after entry. When the amount paid is calculated as a percentage of the amount of the fixed child support order for that NCP, a similar pattern obtains. Had the downward trends in effect for these NCPs at time of enrollment continued unchanged, payments (both in absolute terms and as a percentage of the relevant child support order) would have been much less than they actually were six months after those NCPs entered the program.

NCP earnings

Figure 3 summarizes earnings patterns for the NCPs with a child support order continuously in effect during the analysis period. These earnings patterns appeared broadly similar to those observed for WAA participants in general (see part 1 above): earnings fell in the quarters prior to and including the quarter of entry, then increased again in the quarter following entry. Average earnings were \$235 higher in the quarter after entry than they were in the quarter preceding entry.

Figure 2

Average Amount of Child Support Paid by Noncustodial Parents

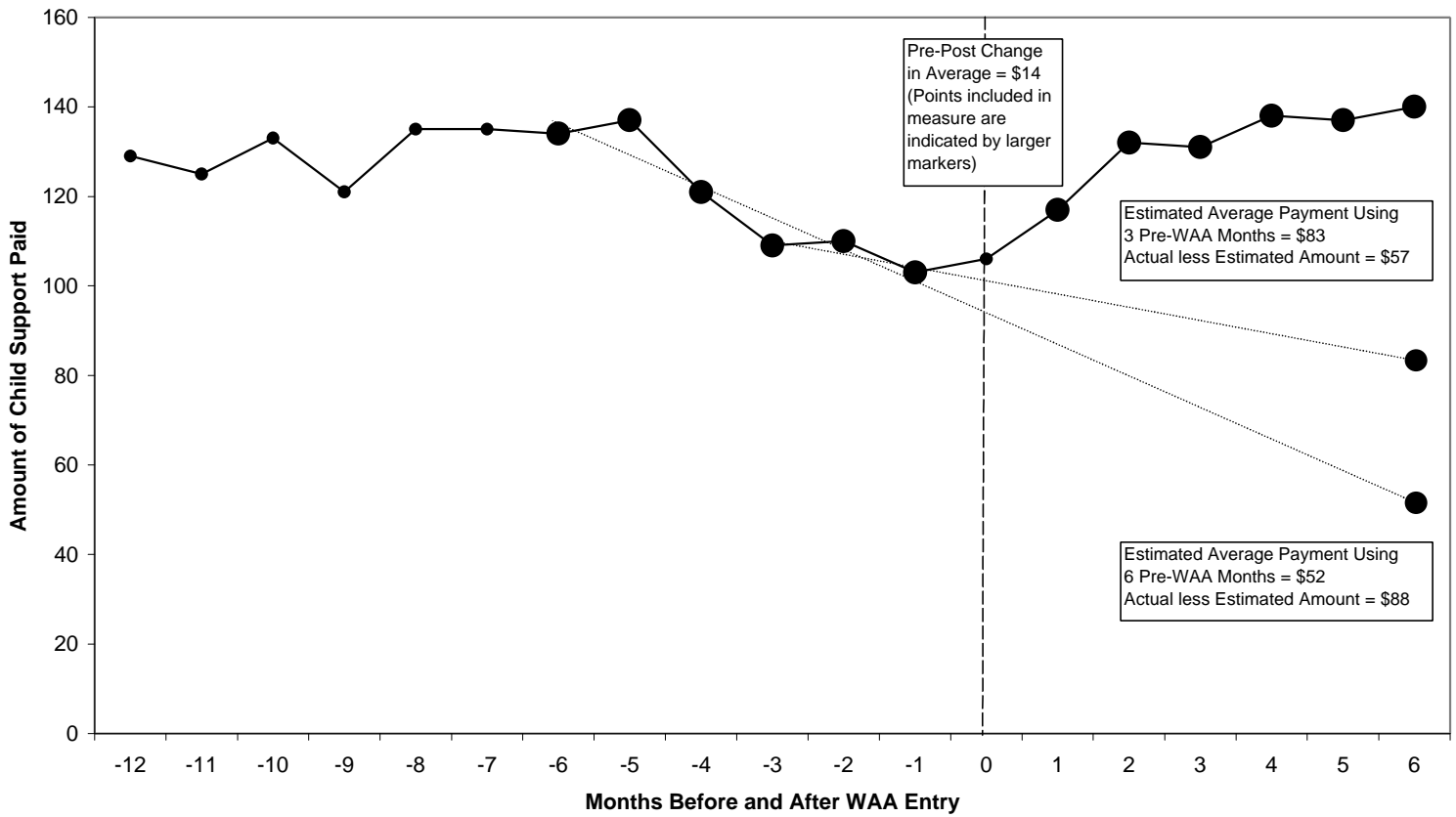


Chart from Caspar and Rothe, *Child Support Outcomes* (IRP/March 2002).

Table 4: Child support outcomes for NCPs with fixed orders, before and after entry into WAA (N=241)			
Month relative to WAA entry	Average monthly amount of order	Average payment	Percentage of order paid
6 months prior to entry	\$258	\$118	43.3%
5 months prior to entry	\$260	\$115	44.7%
4 months prior to entry	\$260	\$109	45.4%
3 months prior to entry	\$263	\$92	37.6%
2 months prior to entry	\$260	\$91	38.0%
1 month prior to entry	\$260	\$93	38.1%
Month of entry	\$260	\$93	39.0%
1 month after entry	\$261	\$115	45.1%
2 months after entry	\$261	\$127	51.0%
3 months after entry	\$267	\$129	48.9%
4 months after entry	\$268	\$126	49.9%
5 months after entry	\$268	\$122	43.9%
6 months after entry	\$265	\$127	47.9%
<i>Pre-post change; Average of 6 months after entry minus average of 6 months prior to entry</i>	<i>\$5</i>	<i>\$21</i>	<i>6.6%</i>
<i>Actual mean in 6th month after entry minus estimated mean using trend based on 6 months prior to entry</i>	<i>\$1</i>	<i>\$82</i>	<i>21.3%</i>
<i>Actual mean in 6th month after entry minus estimated mean using trend based on 3 months prior to entry</i>	<i>\$16</i>	<i>\$31</i>	<i>8.0%</i>

Table adapted from Caspar and Rothe, *Child Support Outcomes* (IRP/March 2002).

FIGURE 3
Noncustodial Parent Earnings
Compared to Child Support Paid

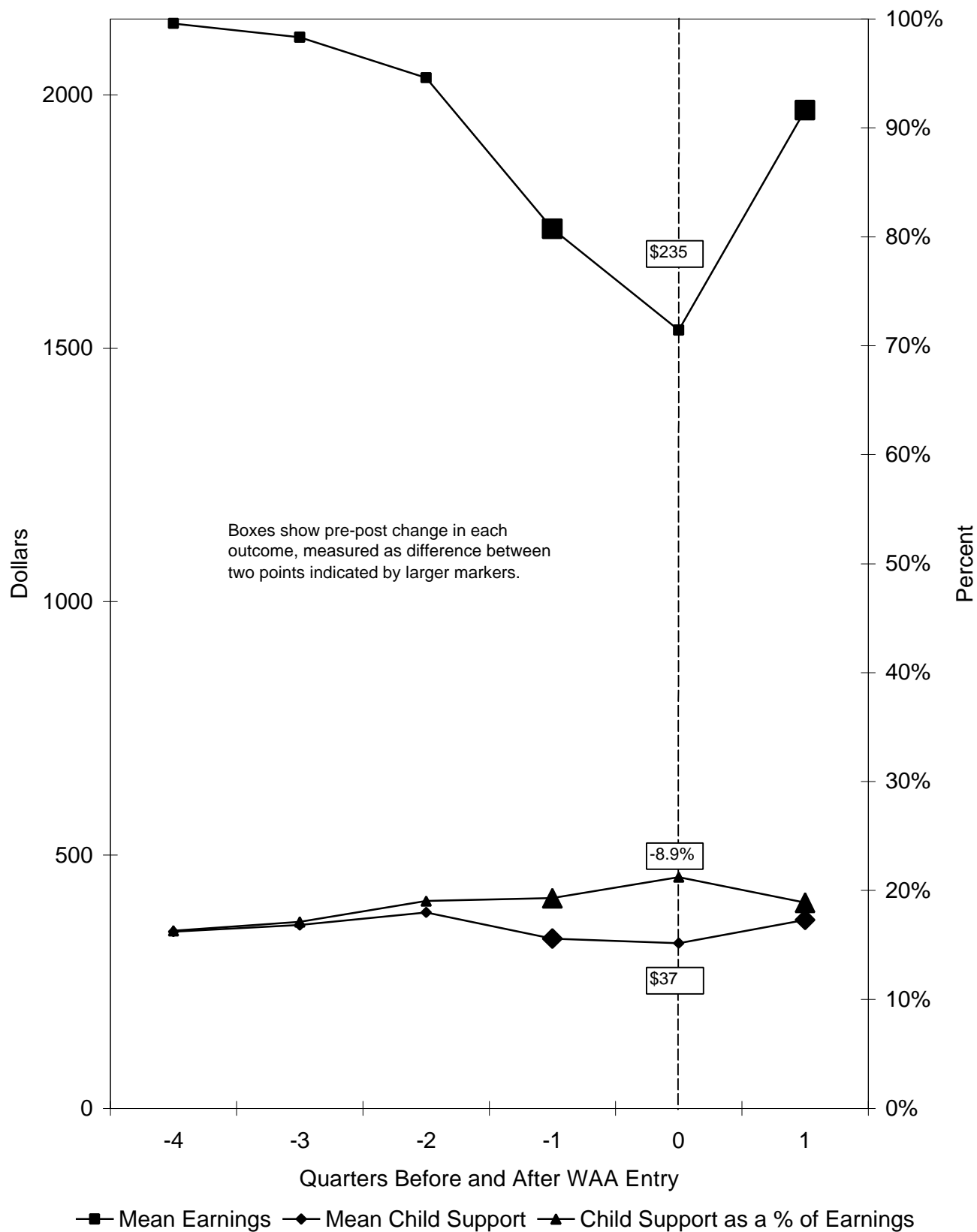


Chart from Caspar and Rothe, *Child Support Outcomes* (IRP/March 2002).

Child support payments by subgroups

Table 5 shows a variety of different breakouts of the analysis sample of 420 NCPs with child support orders, indicating the change in child support paid by different subgroups. Although the Department has not performed in-depth analysis of these patterns of subgroup outcomes, several merit comment.

- The fact that average child support payments actually declined in Milwaukee may reflect the comparatively slow start-up of WAA there, as suggested by the small number of Milwaukee participants in the sample.
- The sharp contrast between increased average child support payments by men and a slight decrease for women may reflect the fact that nearly 80% of those in the sample who were custodial parents as well as NCPs were women. The similar pattern of outcomes in the “Gender” and “Combined NCP/CP status” may stem in part from the way parental status (NCP only versus Combined) divides along gender lines.

Table 5 Change (pre-entry vs. post-entry) in child support paid (broken out by subgroup)				
Subgroup	N	Avg. monthly child support payment for 6 months pre- WAA	Avg. monthly child support payment for 6 months after WAA entry	Differ- ence
NCPs with an order during 6 months prior to entry through 6 months after entry	420	\$119	\$133	\$14
NCPs that left WAA prior to June 30, 2001, and did not return prior to December 31, 2001	139	\$126	\$137	\$11
Duration in WAA				
0-6 months	157	\$121	\$129	\$8
6-12 months	201	\$125	\$142	\$17
13-24 months	62	\$95	\$114	\$19
Age of youngest child				
0-2	100	\$134	\$153	\$20
3-5	102	\$108	\$109	\$1
6 or older	218	\$118	\$135	\$17
Number of children at entry				
One	185	\$96	\$109	\$13
Two	123	\$125	\$137	\$13
Three or more	112	\$152	\$168	\$17
Race/Ethnicity of NCP				
White	207	\$129	\$158	\$29
African American	98	\$95	\$112	\$17
Other	115	\$122	\$106	-\$16

Table 5 Change (pre-entry vs. post-entry) in child support paid (broken out by subgroup)				
Subgroup	N	Avg. monthly child support payment for 6 months pre- WAA	Avg. monthly child support payment for 6 months after WAA entry	Differ- ence
WAA County				
Milwaukee	24	\$139	\$96	-\$43
Other urban	262	\$113	\$127	\$14
Rural	134	\$128	\$151	\$24
Time elapsed since first child support order				
2 years or more	74	\$123	\$144	\$21
7-23 months	346	\$119	\$131	\$12
Gender of NCP				
Male	313	\$136	\$155	\$19
Female	107	\$71	\$70	-\$1
Combined NCP/CP status (19 months around WAA program)				
Those only NCP	286	\$131	\$151	\$21
Those both NCP and CP	134	\$95	\$94	-\$1
Workforce Development Area				
Southeast	120	\$74	\$94	\$21
Milwaukee	24	\$139	\$96	-\$43
W-O-W	43	\$175	\$221	\$46
Fox Valley	28	\$164	\$136	-\$28
Bay Area	70	\$119	\$139	\$20
North-Central/Northwest	23	\$156	\$179	\$23
West Central	33	\$122	\$130	\$8
Western	14	\$83	\$104	\$20
South Central/Dane	32	\$140	\$153	\$13
Southwest	33	\$128	\$134	\$6
Program track				
W-2 Agency	132	\$111	\$117	\$7
WDB	111	\$114	\$126	\$12
Combination	177	\$130	\$149	\$19
Divorce or paternity case				
Divorce	260	\$100	\$117	\$18
Paternity	116	\$149	\$151	\$2
Both	35	\$174	\$205	\$32
Prior child support payments (in 12 months prior to entry)				
No child support paid	62	\$0	\$47	\$47
\$1 - \$ 999	158	\$34	\$75	\$41
\$1,000 or more	200	\$224	\$205	-\$18

Table adapted from Caspar and Rothe, *Child Support Outcomes* (IRP/March 2002).

PART III: DEMOGRAPHICS OF WAA PARTICIPANTS

This section provides selected demographic information about the WAA participants sampled for analysis in this report. The tables which follow present data for two sample groups:

- the full sample of WAA participants who had enrolled in the program through September 30, 2001. This is the same group sampled, quarter by quarter, for earnings analysis in part I, table 1, above.
- a subset of the former participants who left WAA by July 1, 2001, specifically, those former participants for whom earnings data in the first quarter after leaving WAA are analyzed in part 1, table 3, above.

For both of these groups the tables summarize information about geographic location, gender, race/ethnicity, age, and educational level. The tables also report on the numbers of participants in the three WAA program “tracks,” as well as on the numbers that are either custodial or noncustodial parents.

Geographic distribution

Geographic distribution of WAA participants		
Workforce Development Area (WDA)	All WAA participants as of 9/30/01 (N=3914)	Subgroup of those who left WAA by 7/1/01 (N=1005)
1. Southeast	12.5%	23.4%
2. Milwaukee County	16.1%	8.1%
3. Waukesha Ozaukee Washington	6.4%	11.1%
4. Fox Valley	7.7%	4.0%
5. Bay Area	17.2%	8.4%
6. North Central	5.1%	4.0%
7. Northwest	2.8%	6.3%
8. West Central	6.0%	4.9%
9. Western	6.5%	6.6%
10. South Central/Dane	10.7%	10.5%
11. Southwest	9.7%	13.0%

Gender

Gender of WAA participants		
Gender	All WAA participants as of 9/30/01 (N=3914)	Subgroup that left WAA by 7/1/01 (N=1005)
Male	22.0%	25.0%
Female	78.0%	75.0%

Race/Ethnicity

Race/Ethnicity of WAA participants		
Race/Ethnicity	All WAA participants as of 9/30/01 (N=3914)	Subgroup that left WAA by 7/1/01 (N=1005)
American Indian/Eskimo	3.6%	2.9%
Asian/Pacific Islander	0.9%	0.7%
Black, not of Hispanic origin	26.0%	30.5%
Hispanic origin	3.3%	2.4%
Southeast Asian	0.3%	0.0%
White	54.4%	50.1%
Other	0.3%	0.2%
Unknown	11.3%	12.5%

Age

Age of WAA participants		
Age group	All WAA participants as of 9/30/01 (N=3914)	Subgroup that left WAA by 7/1/01 (N=1005)
Less than 18 years	0.1%	0.0%
18-20 years	7.0%	5.2%
21-24 years	16.9%	16.8%
25-29 years	21.3%	22.0%
30-34 years	18.8%	18.1%
35-39 years	17.8%	17.5%
40-44 years	11.0%	12.7%
45-49 years	5.1%	5.4%
50-54 years	1.5%	1.8%
55-59 years	0.4%	0.4%
60-64 years	0.0%	0.0%

Educational level

Educational level of WAA participants		
Educational level	All WAA participants as of 9/30/01 (N=3914)	Subgroup that left WAA by 7/1/01 (N=1005)
No formal schooling	0.8%	0.2%
Elementary school (K-8)	1.9%	1.6%
Secondary school (9-12)	39.0%	46.0%
High school grad or equivalent	33.3%	31.1%
Post high school	18.7%	18.3%
Unknown	6.3%	2.8%

Parental status

Parental status of WAA participants		
Parental status	All WAA participants as of 9/30/01	Subgroup that left WAA by 7/1/01
Custodial parent	3,482	890
Noncustodial parent	439	116
Total¹	3,921	1,006
¹ Participants may fall into both categories and be counted in both over the course of their participation in WAA. Hence the total shown here is greater than the total number of individuals in the sample.		

Program track

Program track of WAA participants		
Program Track	All WAA participants as of 9/30/01	Subgroup that left WAA by 7/1/01
Track 1: W-2 Agency	1,375	418
Track 2: WDB	1,204	220
Track 3: Both	1,500	395
Total¹	4,079	1,033
¹ Participants may fall into multiple categories and be counted in more than one over the course of their participation in WAA. Hence the total shown here is greater than the total number of individuals in the sample.		

PART IV: PERFORMANCE STANDARD INFORMATION

This section provides updated performance standard information for the placement, retention, and earnings outcomes. 1999 Wisconsin Act 9 required that DWD measure the performance of W-2 agencies and WDBs with respect to four program outcomes: employment placement for unemployed persons, job retention, increased earnings, and, for noncustodial parents (NCPs), increased child support collections. On May 14, 2001, the Department submitted an ad hoc report on outcomes for the first three of these standards through April 30, 2001. This section provides updated outcome data through January 31, 2002.

Performance standards

The updated outcomes as well as the definitions of each performance standard are included below.

Employment placement for unemployed persons

This performance standard measures the percentage of completed WAA episodes where the participant entered as unemployed and exited the program employed.

Numerator (<i>Unemployed at WAA entry, employed at WAA exit</i>)	551
Denominator (<i>Participants unemployed at entry into WAA</i>)	1167
WAA Employment Performance Standard Percentage	47.2%

The outcomes for this standard have remained fairly constant in the last year; generally between 47% and 50% of unemployed individuals are placed.

Job retention

This performance standard measures the percentage of completed WAA episodes where the participant entered as employed and was still employed at program exit.

Numerator (<i>Participants employed at WAA entry and exit</i>)	1,562
Denominator (<i>Participants employed at entry into WAA</i>)	2,011
WAA Job Retention Performance Standard Percentage	77.7%

The outcome for this standard has improved since the May 2001 report, which showed 73.7% retention. DWD continues to provide technical assistance to agencies to ensure appropriate reporting of participant information as they exit the program.

Increased earnings

This measure is split into two categories:

- (A): For participants employed at entry, it compares the average earned income at entry to the average earned income at program exit.
- (B): For those participants unemployed at program entry, it measures the average earned income if they leave the program employed.

Employment status at entry	Employment status at exit	Completed WAA episodes	Average change in monthly earnings (entry vs. exit) per participant
(A)Employed at entry	Employed at exit	1,562	\$142.69
	Unemployed at exit	449	-\$972.18
(B)Unemployed at entry	Employed at exit	551	\$1,328.47
	Unemployed at exit	616	\$0.00
Total		3,178	\$163.11

For those participants who enter and exit employed, the \$142.69 increase in their monthly income demonstrates advancement in their employment. The average for all participants on this standard is a monthly earnings increase of \$163.11. For NCPs, this monthly average earnings increase has been higher throughout the program, and was \$306 in January.

The negative earnings outcomes for participants who enter employed and exit unemployed continue to be an area of concern and increased attention in DWD monitoring and technical assistance. One possible reason for a portion of those cases is that currently participants must be closed out of the WAA program as either employed or unemployed. Because there is no “unknown” option, participants who cannot be located—even though they may actually be employed—have their cases closed out as unemployed. This performance measure will receive increased attention for participant follow-up by local agencies and in DWD monitoring and technical assistance in order to further identify the problems and develop solutions.

Benchmarks

To help ensure continuous improvement within the WAA program, DWD has established benchmarks for the three performance standards included here for the contract period that begins July 1, 2002. The benchmarks, based on agencies’ performance through January 2002, are for information purposes and are not tied to receipt of funding. DWD will

measure whether agencies have met with a statewide average benchmark for each standard, or a benchmark for their Workforce Development Area (WDA). The benchmarks will provide an additional tool to assist DWD and the local WAA agencies in monitoring program effectiveness and identifying areas for improvement.

PART V: SUMMARY AND NEXT STEPS

Principal findings

The data summarized in this report are consistent with a program designed to help participants increase their earnings and support their families through work.

At the time they enrolled in WAA, participants had experienced several quarters of declining earnings. In the quarters after leaving the program, participants for whom data were available experienced earnings increases. By the second and third quarters after exit former participants were earning as much as or more than they had earned during any of the four quarters just prior to enrollment.

This basic pattern extended to noncustodial parents paying child support. Earnings that had been falling prior to enrollment began increasing in the months after entry. What is more, average monthly child support payments by participants followed a similar pattern of pre-program decline followed by increases after participants enrolled.

These data do not necessarily show a direct correlation between program participation and increased earnings. They do, however, offer encouraging initial signs that participants in WAA are experiencing measurable improvements in their earnings, as intended by the program.

Next steps

The Department has been supportive of the legislative requirement to study and evaluate the WAA program. This has provided opportunities not only to learn more about the program but also to develop tools for more detailed analysis in the future.

As noted in the introduction, the steps the Department has taken to complete this study, most notably the creation of the data warehouse, also serve the longer-term goal of providing ongoing reports on program effectiveness. The Department has also learned new analysis techniques for studying the earnings and child support payments of WAA participants over time. In addition, the Department has made progress in implementing and refining the WAA performance standards, including establishing benchmarks for the standards on job placement, job retention, and earnings increases, effective for the next contract cycle beginning in July of 2002.

The Joint Finance Committee motion calling for a detailed report on WAA earnings impacts also called for the Department to compare the earnings of WAA participants with

the poverty line. However, because poverty measures are based on family size, developing this particular comparison requires a detailed analysis of WAA participant family size that the Department has yet to complete. The Department expects to include such an analysis, and to relate data on family size and earnings to the poverty level, in a future report.

The Department looks forward to sharing the results of this study with WAA program operators and case managers. The Department expects discussions with local agency staff to provide additional perspective on the lessons learned from the report and on the next steps the Department should take based on those lessons.

The Department will update the data in this report and provide a summary to the legislature on an annual basis in order to provide continuing and comprehensive information on the progress of the WAA program.

**Child Support Outcomes Associated with
Wisconsin's Workforce Attachment and Advancement Program:
An Examination of Potential Measures**

by
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Final report to the
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Bureau of Child Support

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Executive Summary

The Workforce Attachment and Advancement (WAA) program was first implemented in January 2000. Under contracts with the Wisconsin Department of Workforce Development, Workforce Development Boards and Wisconsin Works (W-2) agencies provide services to TANF-eligible persons, including both custodial and noncustodial parents, who have incomes below 200 percent of the federal poverty line. The goals of the program are employment placement, job retention, earnings growth, and, for noncustodial parents, increased child support collections.

This report provides information on child support outcomes among noncustodial parents who participate in the WAA program. The analysis uses a pre-post design, in which measures from the period before WAA entry are compared to measures from the period after entry. Applying a variety of methods, we produce a range of estimates of pre-post changes. Our design does not allow us to rule out the possibility that observed differences in child support collections between the two periods are attributable to causes other than the WAA program.

About half of the noncustodial parents in WAA did not have a child support order at the time of entry. Since we were interested in child support outcomes, we limited our sample to those noncustodial parents who had a child support order throughout our time period of interest.

We found that the percentage of noncustodial parents making a child support payment declined over the months immediately preceding WAA entry, then rose to a steady level soon after entry. Several different measures of change showed a positive trend in the percentage of noncustodial parents with orders who made a child support payment after entering WAA compared to before their entry. The pattern for amount of payment was fairly similar: the average amount paid dropped fairly steadily in the five months before WAA entry and rose after entry to previous levels.

Finally, we looked at earnings and the amount of child support paid as a percentage of earnings. Although we had a shorter follow-up period available for these outcomes, again we saw that earnings

declined during the year before WAA entry, then rose rapidly in the quarter following entry. Because earnings rose more quickly than did child support payments, child support as a percentage of earnings fell slightly following WAA entry.

In an effort to better understand how child support payments are changing over time, we looked at several subgroups of our primary analysis sample. Child support payment patterns for most subgroups were similar to the patterns for the overall group. The exceptions were noncustodial parents who are also custodial parents, female noncustodial parents, and the few Milwaukee noncustodial parents in our sample. Child support payments by members of these subgroups did not increase so noticeably after WAA entry.

I. Introduction

Wisconsin's Workforce Attachment and Advancement (WAA) program was first implemented in January 2000. The program was established by 1999 Wisconsin Act 9 (the 1999–2001 budget bill), which allocated \$19.7 million from the Temporary Assistance for Needy Families (TANF) block grant to Workforce Development Boards¹ (WDBs) and Wisconsin Works (W-2) agencies. Under the terms of their contracts with the Department of Workforce Development (DWD), W-2 agencies and the eleven WDBs are to provide services to TANF-eligible custodial and noncustodial parents (NCPs) who have incomes below 200 percent of the federal poverty level. Act 9 also delineated the agency performance standards that DWD should use in evaluating agency performance. The four standards were: employment placement for unemployed persons, job retention, earnings growth, and, for noncustodial parents, increased child support collections.

At its meeting on December 21, 1999, to release funds for the operation of the program pursuant to §13.10 Wis. Stats., the Joint Committee on Finance adopted Resolution 5010, submitted by Representative Antonio Riley, which required that DWD: (1) develop a methodology to report the annual earnings of all persons receiving WAA services, including a comparison of such earnings with the earnings of each person in the year prior to beginning participation in the WAA program and a comparison of such earnings with the poverty line; and (2) evaluate the performance of W-2 agencies and WDBs on the basis of their effectiveness in improving the earnings of persons receiving WAA services and their effectiveness in raising earnings of participants above the federal poverty guidelines. Resolution 5010 further required that DWD develop the methodology and describe it in a report to be submitted to the Joint Committee on Finance by March 1, 2000. A second report, due by March 1, 2001, was to

¹Eleven WDBs (formerly Private Industry Councils, or PICs) administer Title 1 of the Workforce Investment Act and coordinate activities among various employment and training programs in their areas. Ten provide coverage for more than one county, and the Milwaukee WDB serves only Milwaukee County.

include the information gathered by DWD concerning the performance measures specified in 1999 Wisconsin Act 9.

On March 1, 2001, DWD submitted the required report² to the Joint Committee on Finance describing progress toward meeting the requirements of 1999 Wisconsin Act 9 and Joint Committee on Finance Resolution 5010. That report included DWD's definitions of the four standards and described the changes to CARES and the expanded data collection undertaken so that DWD could calculate and report the four performance measures. The report also provided preliminary data on the operation and performance of the WAA program. The Department agreed to provide a report on the performance measures calculated according to the described methodology during the first quarter of 2002.

To satisfy part of this commitment, DWD contracted with the Institute for Research on Poverty (IRP) at the University of Wisconsin–Madison to develop possible measures to understand the performance of local agencies in increasing the child support payments of noncustodial parents who participate in the WAA program. In Section II of this report we review the operation of the WAA program. In Section III we describe our methodology and the data we used. Section IV reports the results of our analysis, and in Section V we report our conclusions and recommendations for further work in understanding and monitoring changes in child support collections that occur after noncustodial parents participate in the WAA program.

II. The WAA Program

The legislation that established the WAA program states that local W-2 agencies and WDBs should provide to any person eligible for TANF the following services:³

²See "Workforce Attachment and Advancement Program Ad-Hoc Report to Joint Committee on Finance," May 2001.

³Much of this information about the WAA program can be found on the DWD Web site at <http://www.dwd.state.wi.us/waa/>.

- (1) job readiness training and job placement services to unemployed persons;
- (2) basic job skills development to unemployed or recently employed persons;
- (3) services to assist recently employed persons with job retention;
- (4) incumbent worker training to promote job advancement and increased earnings;
- (5) services to employers to assist them in retaining workers and providing workers with position advancement.

WAA services are delivered by W-2 agencies and WDBs, working both independently and jointly through the Job Center System. Local W-2 agencies and WDBs must coordinate planning to provide integrated services. The program is intended to take over where other existing employment and training programs leave off, by providing continued support to individuals placed in employment through other programs and helping recent labor force entrants to move beyond entry-level employment.

WAA is a voluntary program with no minimum number of hours of required participation. However, once in a WAA program, participants receiving individualized services are required to cooperate with their case manager, who should manage the agreed-upon services using individualized employability plans that are to be reviewed at least every six months. Participants are allowed to complete a full six-month employability plan even if they become ineligible during the course of the six months. They may continue in the program for as long as they are eligible and continue to benefit from the services offered.

The eligible population for the WAA program consists of low-income families and noncustodial parents who have incomes below 200 percent of the federal poverty line. The target population includes adults with children who previously participated in the W-2 program and other TANF-eligible persons who need workforce attachment and advancement services. To be eligible for WAA as a noncustodial parent, a parent must have a court order for child support in Wisconsin.

The Department of Workforce Development allocates funds in two tracks. In the first, W-2 agencies receive funds to provide continued services to persons in W-2 case management, Food Stamp Employment and Training (FSET), and other programs. In the second, WDBs provide services to other eligible persons.

The local W-2 agencies and WDBs have wide latitude in designing their service delivery systems. WAA services can be provided to an individual participant or to an employer. Allowable services to an individual include skills training (including classroom training and on-the-job training) and job retention services (including mentoring, job coaching, crisis intervention, and counseling). In addition, payments can be made to participants for training costs (registration and tuition, books, fees, and transportation costs), job retention bonuses, and training completion bonuses (which can be made in the form of vouchers or certificates that are redeemed for goods or services).

A broad range of services, intended to benefit the TANF-eligible population, can also be provided to employers. These include payments to reimburse employers for on-the-job training expenses incurred by the employer, other training-related expenses incurred by the employer, reimbursement for bonuses paid to work-site employee mentors, and reimbursement for transportation provided by the employer. Other reimbursable expenses include the costs of employer staff to attend workshops to improve their ability to retain and advance low-income employees, and costs of training curriculum and equipment.

In this report, we focus only on child support outcomes associated with the WAA program. To help insure that we correctly interpreted administrative data about child support outcomes, we interviewed managers of four local WAA programs⁴ about the general operations of their program.

⁴We selected the four agencies from seven recommended by DWD. They consisted of one Milwaukee agency and three non-Milwaukee agencies.

Because we were primarily interested in program operations that could affect child support outcomes, we asked additional questions about outreach to, and recruitment and participation of, noncustodial parents.

Staff from all four agencies spoke of the high level of integration of employment-related programs and services. Agency staff described efforts to cast their nets as broadly as possible, doing outreach at many local sites (including offices of other human service programs, churches, and employers), and encouraging everyone with low incomes to seek employment assistance. Only later, when an individual wanted to participate in an individualized program (as distinct from some group programs that do not require individual enrollment), was an eligibility determination made. Participants could be determined eligible for a variety of programs, including WAA and Welfare to Work (WtW). Only at the time of eligibility determination might the noncustodial-parent status of the individual become known to the agency.

In the four agencies whose staff we interviewed, we found little evidence of a particular focus or emphasis on recruiting or serving noncustodial parents, with one exception: an agency in a county with an active Children First Program, which made referrals to the WAA program. One agency reported that while it operated a very successful WAA program, it had been able to enroll fewer than half of the noncustodial parents that it had hoped to attract.

III. Data and Methodology

Design

This analysis uses a pre-post design, in which measures from the period before WAA entry are compared to measures from the period after entry. We use two different definitions of the “post-WAA” period, one looking at the period after entry into WAA, the other looking at the period after exit from WAA. We also use different estimation methods to produce a range of estimates and pre-post changes. However, several limitations associated with these methods mean that we cannot attribute causality to

any changes we may observe in the child support outcomes being measured. The first limitation arises because there may be changes other than the WAA treatment between the two periods, such as changes in the local economy. The second occurs because an individual's decision to volunteer for WAA may be associated with other unobserved changes in their circumstances. Consequently, any observed differences between the two periods cannot be confidently attributed to the WAA program.⁵

Because individuals in our sample entered WAA over a period of eighteen months, we organized our data using relative months. Thus "month of WAA entry" is the month each noncustodial parent first entered the WAA program, regardless of what calendar month it was, and months before and after entry are measured relative to that entry month.⁶ We restricted our analysis sample to individuals who entered WAA by June 30, 2001, to allow sufficient follow-up. The minimum amount of follow-up for most outcomes is six months.

Data Sources

Three administrative data systems were used to obtain data for this analysis: Client Assistance for Re-employment and Economic Support (CARES), Kids Information Data System (KIDS), and Unemployment Insurance Wage Record Files (UI).

CARES

CARES is Wisconsin's public assistance information system. Designed in the mid-1990s, this system contains information on programs for low-income families, including W-2, Food Stamps, Medicaid, child care, and the work programs of WAA, FSET, WtW, and Children First. CARES is the

⁵See Haveman (2000) for a more detailed discussion of the conceptual problems associated with a pre-post design.

⁶Since we are not explicitly controlling for seasonal effects, there is some concern that such effects would be masked by this relative month method. Since entry to WAA was fairly steady for over a year, and analyses of child support orders and payments by calendar month did not show any seasonal spikes, we believe that it is reasonable to use the relative month method in our analysis. (Analyses of child support orders and payments by calendar month are available from the authors.)

system used to obtain information on WAA entry and exit dates, and other WAA administrative data. It also contains demographic information on program participants.

WAA participants can receive services in a group setting or on an individualized basis. Only services provided to an individual are tracked in CARES. The ability of workers to use CARES to track services provided to participants and outcomes associated with participation in WAA has evolved over time. CARES did not permit tracking WAA eligibility and participation until August 2000. After the CARES screens were implemented, agencies received instructions to permit backdating of WAA participation. Training on the new features in CARES was offered to county staff in September 2000.

Some of the CARES data used in this study were extracted from a data mart⁷ (rather than directly from CARES) that is currently being tested by the Department. This data mart is designed to permit the Department to track the earnings of individuals who participate in various departmental employment programs.

KIDS

KIDS is Wisconsin's administrative data system for child support enforcement. It contains information on child support orders, payments, arrearages, whether the payment is for the custodial parent or the state, demographic information about the parents and children in the cases, and the child support case history.

UI

Employers report quarterly income of covered workers (91 percent of all Wisconsin workers) to the UI system. These data provide some information on workers' income, although they do not include information for certain workers, such as self-employed, commission sales, farmers, federal employees, or

⁷The data mart is a collection of data extracted from CARES and other systems, stored in a way that makes it easier to retrieve and analyze. Named "Earnie" because it contains earnings, this data mart is the first stage of a joint IRP-DWD project that will permit the Department to track the child support outcomes associated with employment programs.

workers employed outside the state of Wisconsin. In addition, there is a six-month lag between the end of a quarter and the time at which the information in the system can be considered complete, so analyses that use this data must have a shorter follow-up period.

Data Limitations

Identifying Noncustodial Parents

Since this analysis is of noncustodial parents who participated in the WAA program, identifying which participants are such parents is key. Noncustodial parent status is recorded in two systems, KIDS and CARES. According to KIDS, 1,007 individuals were noncustodial parents when they entered the WAA program.⁸ However, WAA information in CARES identifies only about 360 noncustodial parents as entering the WAA program. The great majority of people that CARES records as noncustodial parents are also indicated as such on KIDS, although 25 are not. Because the KIDS system is used to monitor child support cases, we believe that the noncustodial parent indicator from that system is more accurate than CARES, for several reasons.

The CARES indicator is a worker-entered field recorded during WAA intake. Our discussions with local agency staff indicate that precise determination of noncustodial parent status is not of critical importance during the intake process. Using KIDS data, we find that 557 of the WAA participants in our noncustodial parent sample have also been custodial parents in some KIDS case.⁹ Local agency staff mentioned that during intake there is often discussion of the household arrangements of the participant, including the children living at home. This frequently led the staff to enter the code for custodial parent into the required CARES parent-status field. Also, if the WAA applicant had previously participated in

⁸This includes individuals who were both custodial and noncustodial parents of different children, and those who changed from noncustodial to custodial status after entry. It does not include those who were custodial parents at entry and later became noncustodial parents.

⁹Using the parent status indicator from CARES shows that workers identified 653 of the 1,007 noncustodial parents in our sample as custodial parents. (The status of some individuals changed over time.)

Wisconsin Works (W-2), the worker might reasonably presume that the applicant's custodian status remains unchanged. Both these circumstances might lead the worker to identify the potential participant as a custodial parent. Since in many cases the applicant could be determined to be eligible as a custodial parent, there was no need to probe further about potential noncustodial parent status. Therefore, we believe that KIDS information on noncustodial parent status is likely to be more accurate and inclusive and we used it to define our research population.

WAA Entry and Exit Dates

WAA entry and exit dates are used to define the pre- and post-WAA data periods, and are also used in some subsample definitions. These dates are recorded on the CARES system. However, fieldwork at several WAA sites has indicated that these dates, particularly the exit dates, might not always be accurate. Since participation in WAA is voluntary, participants can “drift away” from the program without formally withdrawing. Workers might not enter exit dates for these cases until the next six-month review date. Because we have no other source for this information, we must use the dates from the CARES system, while recognizing that some of these data may be incorrect.

IV. Findings

We begin our analysis with a sample of all participants who entered the WAA program between January 2000 and June 2001.¹⁰ There are 3,046 unduplicated participants. Because this report focuses on child support outcomes, we first restrict our sample to those individuals who are noncustodial parents. Using KIDS to determine noncustodial parent status, we find 1,007 WAA participants who were also identified as a noncustodial parent in a KIDS case during the time period January 2000–June 2001.¹¹

¹⁰This sample was selected from the Earnie data mart on February 25, 2002.

¹¹It is not uncommon for WAA participants to be both custodial and noncustodial parents. In this sample 557 individuals are identified as both custodial parent and noncustodial parent at some time in KIDS.

In Table 1, we first examine the number of these noncustodial parents who have child support orders at their first entry into the WAA program. We hypothesized that entry into the program might be associated with increased likelihood that a noncustodial parent would obtain an order.¹² This does not appear to be the case. After entering WAA there is a very slight upward drift in the number and proportion of noncustodial parents who have at least one child support order. The pre-post change, using a six-month average before and after entry into WAA, is only 1.8 percent. It seems likely that this slight rise in the number of orders results from the continued operation over time of the child support enforcement program in Wisconsin, independent of the introduction of the WAA program.

Although WAA eligibility requires that noncustodial parents have a current, in-state child support order, this table shows that over half of the noncustodial parents in our sample did not have an order at entry. This discrepancy may be partly due to which source is used to identify noncustodial parent status; as noted earlier, many fewer individuals in WAA are noncustodial parents according to CARES than according to KIDS. However, even using the CARES indicator to identify 369 noncustodial parents, we find that 67 of those do not have an order (as identified in KIDS) in effect during the month of their entry into WAA. This discrepancy could be a data issue, an implementation issue, or a combination of the two. Because of this discrepancy and our focus on child support outcomes, for much of the remainder of our analysis, we limit our sample to those noncustodial parents who had an order continuously in effect for the relevant thirteen-month period (the six months prior to their first entry into WAA, the month of their entry, and the six months after their first entry). A total of 420 noncustodial parents meet these criteria. Of these 420 noncustodial parents, 54 percent are men and 46 percent are women. This is a much higher proportion of women than is traditional among most child support

¹²It is also possible that fathers with TANF-eligible children who have not already established their paternity might be moved to do so in order to become eligible for WAA. This is a subject for future research.

TABLE 1
Existence of Child Support Order for Noncustodial Parents in WAA
N = 1,007

	Number of NCPs with an Order	Percentage of NCPs with an Order	Percentage Point Change
12 months prior to WAA entry	459	45.6%	N/A
11 months prior to WAA entry	459	45.6	0.0%
10 months prior to WAA entry	466	46.3	0.7
9 months prior to WAA entry	467	46.4	0.1
8 months prior to WAA entry	467	46.4	0.0
7 months prior to WAA entry	479	47.6	1.2
6 months prior to WAA entry	478	47.5	-0.1
5 months prior to WAA entry	489	48.6	1.1
4 months prior to WAA entry	489	48.6	0.0
3 months prior to WAA entry	484	48.1	-0.5
2 months prior to WAA entry	487	48.4	0.3
1 month prior to WAA entry	487	48.4	0.0
Month of WAA entry	494	49.1	0.7
1 month after WAA entry	501	49.8	0.7
2 months after WAA entry	499	49.6	-0.2
3 months after WAA entry	501	49.8	0.2
4 months after WAA entry	507	50.3	0.5
5 months after WAA entry	507	50.3	0.0
6 months after WAA entry	507	50.3	0.0
Pre-post change: average of six months after entry minus average of six months prior to entry		1.8 %	

populations.¹³ This may be partly because most (79 percent) members of our study population that have multiple statuses (both noncustodial parent and custodial parent) are women.

We focus on this sample because we can observe changes in child support payments only for those with an order. By restricting the sample to those with an order in effect for thirteen consecutive months, we are able to focus on changes in payments for a constant group of noncustodial parents, all of whom are required to make payments during the entire thirteen-month period.

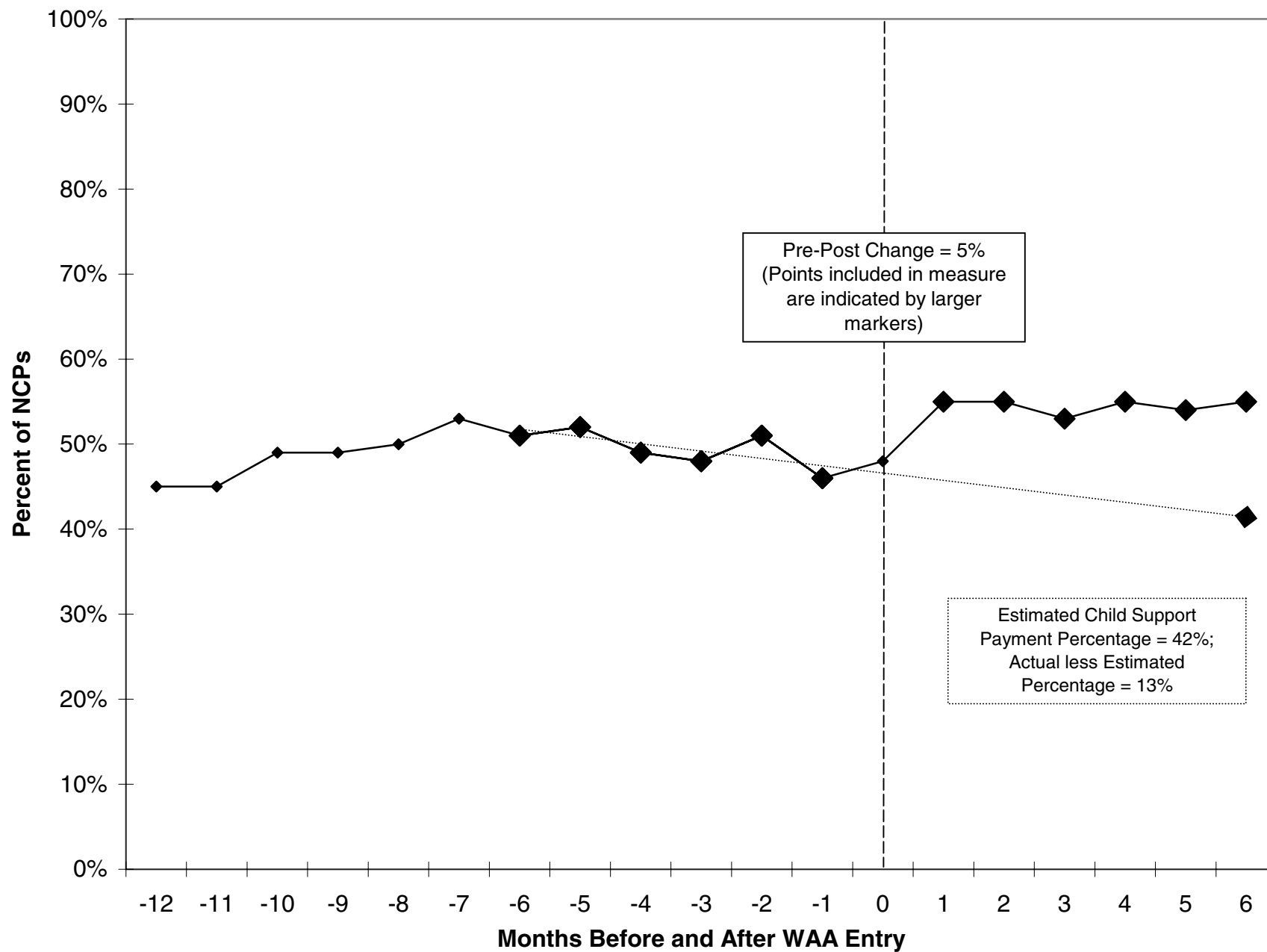
Child Support Outcomes for Noncustodial Parents with Orders

Figure 1 shows the percentage of noncustodial parents who made a child support payment among those with a continuous child support order from six months before WAA entry through six months after entry. The pattern before WAA entry (the point of entry is indicated by the vertical dotted line) shows some increases and some decreases over time; during the months immediately before WAA entry, the percentage of noncustodial parents paying support was generally slightly lower than it had been in the past. In the months after WAA entry, the percentage with a payment was consistently 54 percent or higher, which is at least as high as any month before entry. Two measures of the change in the percentage of noncustodial parents who made a payment are illustrated on this figure. First, we calculated a measure of pre-post change, subtracting the average of six months before entry from the average six months after entry. We chose this measure because it allows the maximum amount of post-entry follow-up. As shown in the uppermost text box on the chart, the change is 5 percent. The data points used to calculate this measure have larger markers.

To calculate the second measure, we first estimated the proportion of noncustodial parents who would have made a payment in the sixth month after entry into WAA had the trend that prevailed in the

¹³For instance, in an analysis of non-serial divorce cases with first child support orders in 1997, Rothe, Hu and Wimer (2000) found that 90 percent of the noncustodial parents were men.

FIGURE 1
Percentage of Noncustodial Parents With a Child Support Payment



six months before entry continued unchanged through the next seven months.¹⁴ The trend line is shown on the figure as a dotted line. As described in the lower and larger box in the figure, had the trend continued, an estimated 42 percent of this noncustodial parent sample would have made a child support payment. Subtracting the observed payment rate from the estimated rate results in an estimated pre-post improvement of 13 percent.¹⁵

Figure 2 shows the average amount of child support paid by noncustodial parents (including those who paid nothing). This plotted line shows that payments dropped fairly quickly following the fifth month before WAA entry, when the average payment was \$137, leveling out at about \$105 in the months immediately before and including the month of entry. After WAA entry, average payments rose again, to levels similar to the highest pre-entry levels.

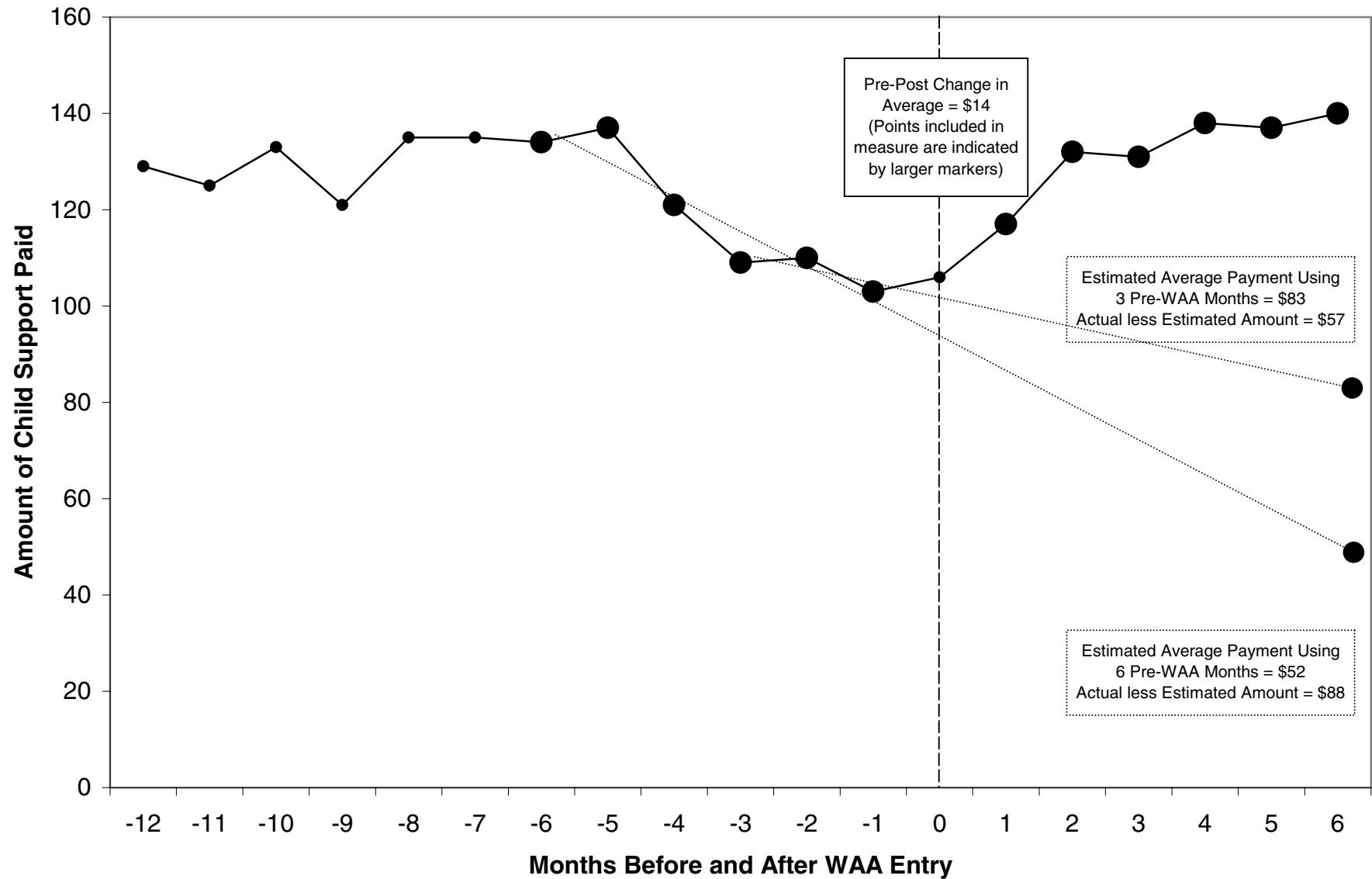
Two additional measures of pre-post change are illustrated in the figure. We estimated the average payment in the sixth quarter after entry using two trend lines (dotted lines on the figure), one based on six months before entry and one based on three months before entry. These two measures are quite different from the pre-post change in average payment. The trend based on six months is quite sharply down, resulting in an estimated average payment of \$52 per month. This would result in an estimated pre-post change of \$88 per month. The three month measure produced a slightly flatter trend line, resulting in an estimated average payment of \$83 per month, and a pre-post change of \$57 per month.

A possible explanation for this pattern is that noncustodial parents who had been paying child support had a period of lower employment and earnings, reducing their ability to pay child support and also leading them to enter the WAA program. After entering the program, their employment and earnings may have risen again, allowing them to again increase child support payments. This explanation is

¹⁴The trend lines in these figures were estimated using a simple ordinary least squares (OLS) regression.

¹⁵An alternate version of this measure, based on the three months before entry, produced a very similar result, and is not shown on the figure.

FIGURE 2
Average Amount of Child Support Paid by Noncustodial Parents



supported by the earnings data discussed later. On average, payments in the six months after WAA entry were \$14 higher than pre-entry payments.

Table 2 shows child support outcomes for a slightly different set of noncustodial parents: only those with fixed dollar-amount orders that were continuously in effect for the relevant thirteen month period. All other tables and figures include noncustodial parents with any kind of child support order. In some cases, the child support order amount is expressed as a percentage of income. Because income is not consistently recorded on KIDS, it is not possible to assess the amount of child support paid as a percentage-of-order amount for these cases; that calculation can only be done for orders of a fixed-dollar amount. About half of the noncustodial parents in our population had a fixed-dollar child support order.¹⁶ The average monthly amount of fixed child support orders for noncustodial parents, shown in column 1, held fairly steady around \$260. The average amount paid on fixed orders, shown in the column 2, shows a pattern similar to that for overall payments. The average payment falls from around \$115 to around \$95 in the month of WAA entry. The average payment then rises again, to around \$130. The last column of Table 2 shows child support paid on fixed orders as a percentage of the order amount. The pattern for this ratio follows that of payment amount, falling and then rising again.

An Alternative Post-WAA Measure

In Figures 1 and 2 and Table 2, discussed in the previous section, “post-WAA” was measured as the six-month period following WAA *entry*. We also examined an alternative measure of post-WAA, using the months immediately following WAA *exit*.¹⁷ Because of a shorter follow-up period owing to the lag in obtaining UI information, the pre-post change measure used in this alternate analysis is the difference between the average of the three months following first exit and the average of the three

¹⁶Some of these noncustodial parents also had a percentage-expressed order; Table 2 includes only fixed orders for these individuals.

¹⁷Because individuals may leave the program and later return, one person may have multiple exit dates; we used the first.

TABLE 2
Child Support Outcomes for Noncustodial Parents with Fixed Orders,
Before and After Entry into WAA

N = 241

(Noncustodial Parents with Fixed Orders During Six Months Pre- through Six Months post-WAA Entry)

	Average Monthly Amount of Fixed Child Support Order	Average Monthly Amount of Child Support Paid (On Fixed Orders)	Child Support Paid as a percentage of Fixed Order
6 months prior to WAA entry	\$258	\$118	43.3%
5 months prior to WAA entry	260	115	44.7
4 months prior to WAA entry	260	109	45.4
3 months prior to WAA entry	263	92	37.6
2 months prior to WAA entry	260	91	38.0
1 month prior to WAA entry	260	93	38.1
Month of WAA entry	260	93	39.0
1 month after WAA entry	261	115	45.1
2 months after WAA entry	261	127	51.0
3 months after WAA entry	267	129	48.9
4 months after WAA entry	268	126	49.9
5 months after WAA entry	268	122	43.9
6 months after WAA entry	265	127	47.9
Pre-post change: Average of six months after entry minus average of six months prior to entry	\$5	\$21	6.6%
Pre-post change: Actual mean in sixth month after entry minus estimated mean using trend based on six months prior to entry	\$1	\$82	21.3%
Pre-post change: Actual mean in sixth month after entry minus estimated mean using trend based on three months prior to entry	\$16	\$31	8.0%

months prior to entry. The sample used for this analysis is slightly smaller than those for the post-entry measure, since it includes only cases that had exited WAA by September 30, 2001. The results for this alternate measure are very similar to those shown in Figures 1 and 2 and Table 2.

Earnings

Figure 3 shows average quarterly earnings for our sample of noncustodial parents with a continuous order from six months before WAA entry through six months after entry.¹⁸ The pattern for earnings is similar to that seen for child support payments: earnings fall in the quarters prior to and including the quarter of entry, then rise again in the quarter following entry. In the quarter following entry, average earnings were \$235 higher than in the quarter preceding entry. Although child support payments also rose in this quarter, earnings rose more sharply, so the ratio of child support to earnings was actually lower in the quarter following entry than in the quarter preceding entry, by 8 percentage points.

Subgroup Analysis

In an effort to better understand how child support payments are changing over time, we looked at several subsamples of our primary analysis sample (those with a continuously open order for thirteen months). In Table 3, we report all three measures we have used previously: (1) the average pre-post changes for the six months before as compared to the six months after entry into WAA, (2) the difference between the observed mean six months after WAA entry and (3) the estimated mean based on the six-month trend prior to entry, and the difference between the observed mean six months after WAA entry and the estimated mean based on the trend three months prior to entry.

¹⁸The sample size for this analysis is slightly smaller than in Figure 1 and Table 2, because only cases entering WAA through March 2001 (rather than through June 2001) are included. Because of the lag in obtaining UI data, we have a shorter follow-up period for earnings data than for child support data, and thus restricted the sample to allow one quarter of post-WAA entry data for everyone in our sample.

FIGURE 3
Noncustodial Parent Earnings
Compared to Child Support Paid

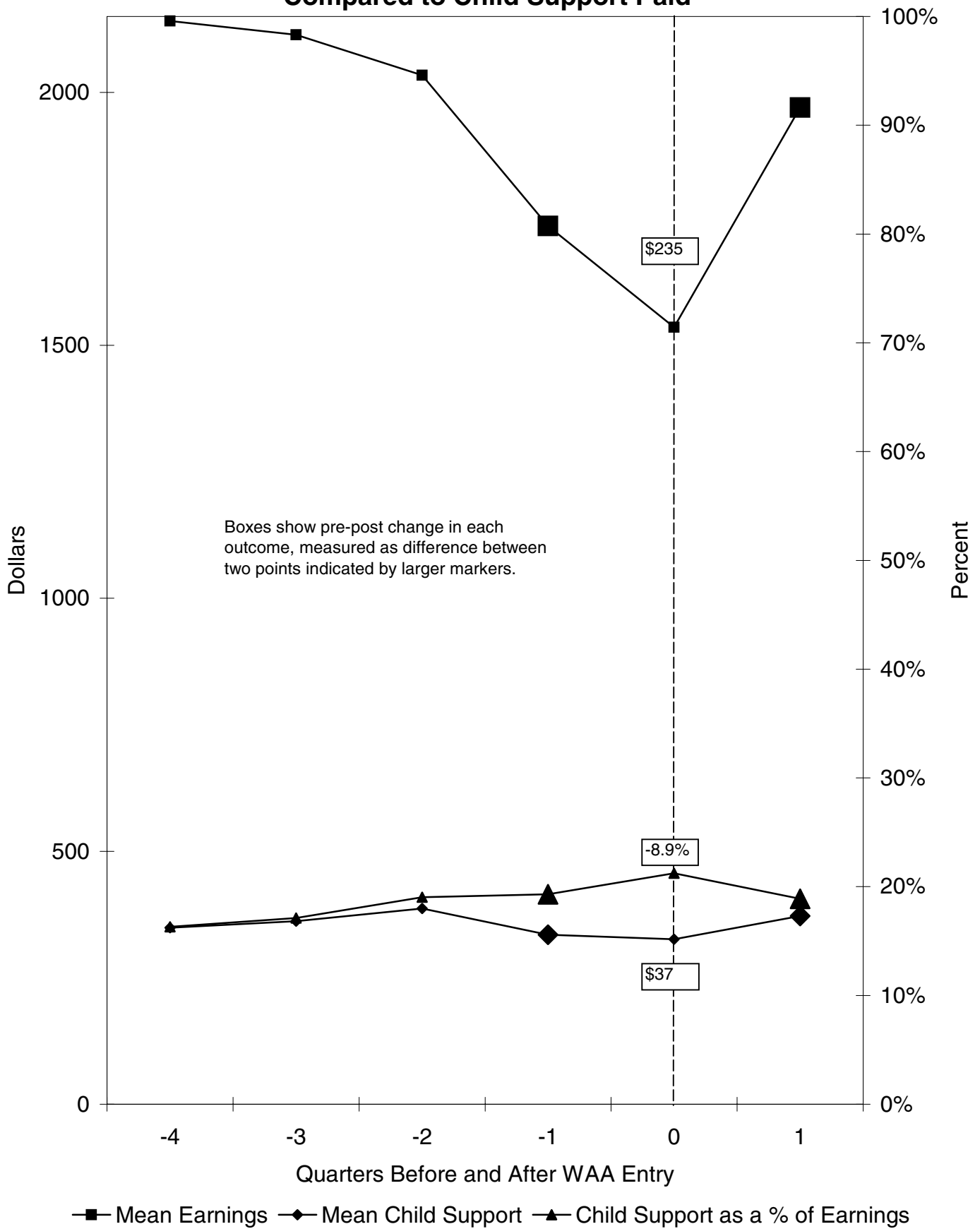


TABLE 3
Measures of Change in Child Support Paid, by Subgroup

Subgroup	N	Average Child Support Paid in Six Months Prior to WAA Entry	Average Child Support Paid in Six Months after WAA Entry	Difference	Child Support Paid in Sixth Month after Entry	Mean in Sixth Month after Entry Minus Estimated Mean (Based on Six Months Prior to Entry)	Mean in Sixth Month After Entry Minus Estimated Mean (Based on Three Months Prior to Entry)
NCPs with an order during 6 months prior to entry through 6 months after entry	420	\$119	\$133	\$14	\$140	\$88	\$57
NCPs who left WAA prior to June 30, 2001, and did not return prior to December 31, 2001	139	126	137	11	145	93	88
Length of Stay in WAA							
0–6 Months	157	121	129	8	128	35	35
6–12 Months	201	125	142	17	163	64	43
13–24 Months	62	95	114	19	101	17	37
Age of Youngest Child							
0–2 years	100	134	153	20	158	43	23
3–5 years	102	108	109	1	126	53	39
6 years or Older	218	118	135	17	140	45	47
Number of Children at Entry							
One	185	96	109	13	121	33	36
Two	123	125	137	13	131	40	47
Three or More	112	152	168	17	185	75	37
Race of Noncustodial Parent							
White	207	129	158	29	174	74	68
African American	98	95	112	17	107	21	10
Other	115	122	106	-16	110	18	13

Table 3, continued

Subgroup	N	Average Child Support Paid in Six Months Prior to WAA Entry	Average Child Support Paid in Six Months after WAA Entry	Difference	Child Support Paid in Sixth Month after Entry	Mean in Sixth Month after Entry Minus Estimated Mean (Based on Six Months Prior to Entry)	Mean in Sixth Month After Entry Minus Estimated Mean (Based on Three Months Prior to Entry)
WAA County							
Milwaukee	24	139	96	-43	94	-23	-66
Other Urban	262	113	127	14	131	47	40
Rural	134	128	151	24	168	58	56
Length of Time since First Child Support Order							
2 years or more	74	123	144	21	136	32	38
7–23 months	346	119	131	12	142	50	40
Gender of NCP							
Male	313	136	155	19	168	63	52
Female	107	71	70	-1	60	-4	-2
Combined NCP/CP status (19 months around entry into WAA program)							
Those only NCP	286	131	151	21	159	58	58
Those both NCP and CP	134	95	94	-1	102	21	-1
Workforce Development Area							
Southeast	120	74	94	21	98	35	32
Milwaukee	24	139	96	-43	94	-23	-66
W-O-W	43	175	221	46	221	131	141
Fox Valley	28	164	136	-28	200	57	60
Bay Area	70	119	139	20	141	69	49
North Central/Northwest	23	156	179	23	223	69	58
West Central	33	122	130	8	126	8	-21
Western	14	83	104	20	98	15	11
So Central/Dane	32	140	153	13	162	-1	-11
Southwest	33	128	134	6	128	49	73

Table 3, continued

Subgroup	N	Average Child Support Paid in Six Months Prior to WAA Entry	Average Child Support Paid in Six Months after WAA Entry	Difference	Child Support Paid in Sixth Month after Entry	Mean in Sixth Month after Entry Minus Estimated Mean (Based on Six Months Prior to Entry)	Mean in Sixth Month After Entry Minus Estimated Mean (Based on Three Months Prior to Entry)
Program Track							
W-2 Agency	132	111	117	7	139	45	18
Workforce Development Board	111	114	126	12	119	41	48
Combination	177	130	149	19	155	50	49
Divorce or Paternity Case							
Divorce	260	100	117	18	148	50	60
Paternity	116	149	151	2	105	28	19
Both	35	174	205	32	231	98	64
Prior Child Support Payments (In 12 months prior to entry)							
No Child Support Paid	62	0	47	47	52	52	52
\$1–\$999	158	34	75	41	79	39	29
\$1,000 or more	200	224	205	-18	217	50	42

The first panel in Table 3 displays (previously discussed) information on the entire analysis sample (N = 420), including all types of orders and those who have not paid. The average child support paid in the six months before WAA entry was \$119 per month; the average child support paid in the six months after WAA entry was \$133 per month, for a pre-post difference of \$14. Mean child support paid by the sample six months after entry is \$140 per month. The difference between \$140 and the estimated mean, based on the six month trend prior to entry is \$88. The difference between \$140 and the estimated mean, based on the three month trend prior to entry, is \$57. The analysis for the sample of noncustodial parents that left prior to June 30, 2001 and did not return prior to December 31, 2001 (N = 139) shows a similar pattern.

The remainder of Table 3 is based on our analysis sample (N = 420). We looked at a number of demographic and programmatic variations among the participants, including length of stay in WAA, age of youngest child, number of children at entry, race of noncustodial parent, the urban or rural nature of the WAA county, length of time since first child support order, gender of noncustodial parent, noncustodial parent versus combined noncustodial parent/custodial status, the Workforce Development Area in which the noncustodial parent entered WAA, the program track, whether the participant's child support order occurred in a divorce or paternity case, and the amount of prior child support payment. In almost all these subgroups, the general pattern was repeated: child support payments tended to fall in the months before entry, and then rise again after entry.

There are several subgroups in which the pattern is not quite the same. The first of these is the subgroup of persons who have been both noncustodial parent and custodial parent during the twelve months before and six months after their entry into WAA. The average payment in each of the six months (not shown in the table) before WAA is somewhat more erratic than for participants who have been only

noncustodial parents.¹⁹ As a consequence, the average payment over the six months after entry is almost the same (\$1 lower) than the average payment over the six months before entry. This variability can also be seen in the large differential between the two measures that are based on estimated trend lines. Using a six-month trend line yields an estimated improvement of \$21 after WAA entry, compared to an estimated decline of \$1 using the three-month trend line.

The findings for combined noncustodial parent/custodial parent status are probably also affected by the relatively larger number of women who are in the combined group as compared to the noncustodial-parent-only group. Women also tend to have a slightly different pattern than men. First, they make lower child support payments over the study period. Similar to the combined noncustodial parent/custodial parent group, the average child support paid in each of the six months varies more erratically than other groups. Additionally, the peak in post-WAA child support payments made by women comes fairly soon after WAA entry; payments start to fall again before the end of our six-month post-WAA study period. In the case of women as compared to men (and differing from the case of combined group), however, the three different measures are consistent with each other.

The third group with a slightly dissimilar pattern is composed of participants in Milwaukee County. Although Milwaukee has a disproportionately large share of the state's low-income population, only 24 Milwaukee noncustodial parents are in our analysis sample. This is almost too few to analyze; care must be taken to avoid attributing too much to the findings. However, Milwaukee alone among the state regions shows a consistent decline on all three measures in child support payments after WAA as compared to before WAA entry. Some of this differential may be explained by Milwaukee's late start, compared to other parts of the state, in implementing WAA. However, the very low number of WAA participants in Milwaukee, coupled with relatively poorer child support outcomes in Milwaukee, also

¹⁹Average child support payments for the combined noncustodial parent/custodial parent group begin to rise prior to entry.

suggest that Milwaukee may have a somewhat different philosophy or approach to WAA than do agencies in other parts of the state. More analysis is necessary to identify potential sources of the apparently differential performance.

V. Conclusions and Recommendations

Several measures of child support outcomes show improvement after the entry of noncustodial parents into the WAA program. Incomes rise, as do child support payments. Because readers may be tempted to conclude that the WAA program has caused these improvements in incomes and child support outcomes, it is important to reiterate that the pre-post methodology used in this report does not permit us to assert that the WAA program is responsible for the changes we have documented.

The findings suggest, however, that possible benefits may be associated with the WAA program; more investigation is clearly warranted. It is certainly intriguing that initial improvement in earnings and child support payment appear to be associated with entry into the program. Improvements appear after very short stays in the program. How is this to be explained? To date, we have not been able to examine the activities that individuals participated in while they were in the WAA program. How particular components or activities of the program contribute to participants' success remains to be explored.

The improved child support outcomes that appear to be associated with this program are also interesting because, on its face, the WAA program cannot be considered a child support program. It is an employment program in which some of the participants may, coincidentally, be noncustodial parents.²⁰ Nevertheless, it is associated with improvements in child support payment outcomes. Policy makers may wish to think about ways of increasing enrollment in the program by noncustodial parents.

²⁰Some noncustodial parents participate because local agencies have made an effort to recruit them as part of a targeted subpopulation. The presence of other noncustodial parents (who are not identified as noncustodial parents in the WAA information within CARES) may be unknown to the local agencies.

Examining the impact of the WAA or other employment based programs on child support outcomes would be facilitated by improved identification of noncustodial parents. While the large discrepancy between KIDS and the WAA information in CARES in the identification of noncustodial parents is to be expected,²¹ it also suggests that local WAA operators may not have full information about the make-up of program participants.²² This may not be important in terms of the services an individual receives.²³ However, to the extent that policy makers wish to target noncustodial parents for the services available in the WAA program, or perhaps to expand services that are available to noncustodial parents, it will be important for WAA program operators and other officials to correctly understand who is a noncustodial parent. In addition, monitoring by state or other officials of local performance relative to noncustodial parent participation in WAA would be more accurate and better reflect actual program performance if identification of this target population were more precise. The Department should consider exploring options that would improve the identification of custodial/noncustodial parent status that is available to WAA program operators and other officials. Perhaps the KIDS/CARES interface could be improved to provide more rapid feedback to WAA program operators about the noncustodial parent status of participants. Additionally, WAA intake workers might be instructed to delve further into the possible noncustodial parent status of a participant.

²¹The custodial/noncustodial parent designation in the WAA information in CARES designates a type of eligibility, and cannot fully capture the characteristics of the participant.

²²Difficulties in identifying noncustodial parents also suggest the likelihood of substantial measurement error in assessing whether noncustodial parent enrollment targets established by WAA agencies have been met.

²³DWD policy does not distinguish between noncustodial and custodial parents in terms of the types of services to be provided. Because we have not examined the activities to which participants are assigned, we are unable to determine if local agencies may promote different activities for different subpopulations of WAA participants.

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